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CONFERENCE CALL
First HY 2021 Results

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Presenting team



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Led the formation of IMCD since 1995
Designed and executed IMCD's strategy
26 years of industry experience



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Joined IMCD in 1996
Co-led formation of IMCD
25 years of industry experience

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IMCD is a market leader in the sales, marketing and distribution of speciality chemicals and ingredients.

Highlights:

- Formulatory and solutions provider
- Comprehensive and complementary product portfolio
- Multi-territory distribution management in EMEA, Asia-Pacific and Americas
- Headquartered in Rotterdam, The Netherlands

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Highlights first half year 2021

GROSS PROFIT

Gross profit growth of 23% to EUR 411 million (+28% on a constant currency basis)

OPERATING EBITA

Operating EBITA increase of 46% to EUR 192 million (+52% on a constant currency basis)

NET RESULT

Net result before amortisation and non-recurring items increase of 52% to EUR 138 million (+57% on a constant currency basis)

CASH EPS

Cash earnings per share increased by 44% to EUR 2.43 (first half year of 2020: EUR 1.69)

Highlights first half year 2021

M&A Q2 2021

- Acquisition of Siliconas y Quimicos, a Columbian speciality chemicals distributor who serves the personal care, coatings, silicones and other industrial markets (14th of May)
- Acquisition of Andes Chemical Corp, active in Caribbean and Central American countries, Colombia and Peru where it serves both life science and industrial markets (19th of May)
- Acquisition of Yuanhe Chemicals, a speciality coatings, textile and ink distributor in China (2nd of June)

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Financials first half year 2021

Income statement

EUR million	Jan.1 - June 30 2021	Jan.1 - June 30 2020	change	change	fx adj. change
Revenue	1,674	1,411	263	19%	23%
Gross profit	411	333	78	23%	28%
<i>Gross profit in % of revenue</i>	24.5%	23.6%	0.9%		
Operating EBITDA	205	144	62	43%	48%
<i>Operating EBITDA in % of revenue</i>	12.3%	10.2%	2.1%		
Operating EBITA¹	192	131	61	46%	52%
<i>Operating EBITA in % of revenue</i>	11.5%	9.3%	2.2%		
<i>Conversion margin ²</i>	46.8%	39.5%	7.3%		

¹ Result from operating activities before amortization of intangibles and non-recurring items

² Operating EBITA in percentage of Gross profit

Financials first half year 2021

Income statement

EUR million		EMEA	Americas	Asia Pacific	Holding companies	Total
Gross profit	YTD Q2 2021	207	119	85		411
	YTD Q2 2020	176	109	47		333
	Δ reported	17%	9%	80%		23%
	Δ constant currency	19%	18%	80%		28%
Operating EBITA	YTD Q2 2021	93	54	54	(9)	192
	YTD Q2 2020	70	48	22	(8)	131
	Δ reported	33%	14%	148%	14%	46%
	Δ constant currency	35%	24%	147%	16%	52%
Operating EBITA in % of revenue	YTD Q2 2021	11.6%	10.3%	15.8%		11.5%
	YTD Q2 2020	10.2%	9.7%	9.4%		9.3%
	Δ margin %	1.4%	0.6%	6.4%		2.2%
Conversion margin	YTD Q2 2021	44.8%	45.8%	63.6%		46.8%
operating EBITA in % of gross profit	YTD Q2 2020	39.6%	43.5%	46.1%		39.5%
	Δ margin %	5.2%	2.3%	17.5%		7.3%

Financials first half year 2021

Income statement (continued)

EUR million	Jan.1 - June 30 2021	Jan.1 - June 30 2020	change	change	fx adj. change
Operating EBITA	192	131	61	46%	52%
Net finance costs	(8)	(15)			
Income tax expenses	(47)	(26)			
Net result before amortisation/non recurring items	137	90	47	52%	57%
Amortisation of intangible assets	(37)	(26)			
Tax credits related to amortisation	3	2			
Non recurring items	2	(1)			
Result for the period	105	64	41	64%	1%
Earnings per share (weighted)	1.85	1.22	0.63	50%	56%
Cash Earnings per share (weighted)	2.43	1.69	0.74	44%	48%

Financials first half year 2021

Net Finance costs

EUR million	Jan.1 - June 30 2021	Jan.1 - June 30 2020	change
Interest expenses financial liabilities	(7.5)	(9.1)	1.6
Interest expenses lease liabilities	(1.4)	(1.3)	(0.1)
Currency Exchange results	1.8	(3.2)	5.0
Changes deferred considerations	(1.1)	(1.4)	0.3
Other	0.3	(0.1)	0.4
Net finance costs	(7.9)	(15.2)	7.3

Financials first half year 2021

Balance Sheet

EUR million	30 June 2021	31 December 2020	30 June 2020
Property, plant and equipment	96	95	91
Intangible assets	1,640	1,567	1,117
Other fin. assets/def tax assets	40	44	41
Working capital	527	443	470
Provisions/employee benefits	(37)	-34	(31)
Deferred tax liabilities	(122)	-118	(72)
Capital employed	2,145	1,997	1,615
Equity	1,328	1,258	847
<i>Equity in % of capital employed</i>	62%	63%	52%
Loans and borrowings minus cash	817	739	768
Total financing	2,145	1,997	1,615
Leverage ratio*			
Reported	2.2	2.3	2.9
Based on loan documentation	1.6	1.6	2.5

* Net Debt/Operating EBITDA (incl. full year impact acquisitions)

Financials first half year 2021

Working capital

EUR million	30 June 2021	31 December 2020	30 June 2020
Inventories <i>in days of revenue*</i>	416 44	371 46	383 49
Trade and other receivables <i>in days of revenue*</i>	616 65	464 58	457 59
Trade payables <i>in days of revenue*</i>	(370) (39)	(292) (36)	(280) (36)
Other payables <i>in days of revenue*</i>	(135) (14)	(100) (13)	(91) (12)
Total working capital <i>in days of revenue *</i>	527 56	443 55	470 60

* normalised for impact acquisitions

Financials first half year 2021

Free cash flow

EUR million	Jan.1 - June. 30 2021	Jan.1 - June. 30 2020	Change	Change %
Operating EBITA	192	131	61	46%
Depreciation	13	12	1	
Operating EBITDA	205	144	62	43%
Share based payments	2	2	(0)	
IAS 17 lease payments	(14)	(13)	(1)	
Adjusted operating EBITDA	194	133	61	46%
Capex	(2)	(4)	2	
Δ Working capital ¹	(73)	(53)	(20)	
Free cash flow	118	76	42	55%
<i>Cash conversion ratio</i> ²	61.0%	57.4%	3.6%	

¹ Inventories, Trade and other receivables and Trade and other payables

² Free cash flow in percentage of Adjusted Operating EBITDA

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IMCD operates in different, often fragmented market segments in multiple geographic regions, connecting many customers and suppliers across a very diverse product range. In general, results are impacted by macroeconomic conditions and developments in specific industries. Furthermore, results can be influenced from period to period by, amongst other things, the ability to maintain and expand commercial relationships, the ability to introduce new products and start new customer and supplier relationships and the timing, scope and impact of acquisitions.

IMCD's consistent strategy and resilient business model has led to successful expansion over the years and IMCD remains focused on achieving earnings growth by optimising its services and further strengthening its market positions. IMCD sees interesting opportunities to increase its global footprint and expand its product portfolio both organically and by acquisitions.

Based on the performance in the first half of 2021 and the strong fundamentals of its business, IMCD expects operating EBITA growth in 2021.

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